Exhibit 19

Public Buildings Authority
(A Component Unit of the Commonwealth of Puerto Rico)

Basic Financial Statements for the Fiscal Years Ended June 30, 2014 and 2013 and Independent Auditors' Report

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HLB PARISSI
Certified Public Accountants, Tax & Business Advisors

INDEPENDENT AUDITORS' REPORT

Board of Directors of
Public Buildings Authority
San Juan, Puerto Rico

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Public Buildings Authority (the Authority), a component unit of the Commonwealth of Puerto Rico, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Public Buildings Authority, as of June 30, 2014 and 2013, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 18 and the schedule of funding progress for post-employment healthcare benefits on page 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audits were conducted for the purpose of forming opinions on the Authority's financial statements. The schedule of bond sinking funds accounts and the schedule of operating rental revenues on pages 58 and 59, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of bond sinking funds accounts and the schedule of operating rental revenues are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

HLB Pariso PSC

San Juan, Puerto Rico
January 20, 2015

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to the original of this report.
License No. 88 Exp. December 1, 2017

HLB ... P.S.C. CERTIFIED PUBLIC ACCOUNTANTS PUERTO RICO

Introduction

As management of the Public Buildings Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ended June 30, 2014 and 2013. We encourage readers to consider the information presented here in conjunction with the basic financial statements taken as a whole.

Financial Highlights

- The Authority's deficit decreased by $181.2 million (39.2%) during the year ended June 30, 2014. For the year ended June 30, 2013, the deficit increased by $218 million (89%). For the year ended June 30, 2014, the Authority reported an increase in rental income of $226.5 million. As explained below and as a result of an agreement with the Commonwealth of Puerto Rico (Commonwealth), the Authority did not charge the debt service rental portion during the three fiscal years ended June 30, 2013. During fiscal year ended June 30, 2014, the Authority resumed to charge its tenants for the debt service rental portion, therefore resulting in the increase in rental revenues. In addition, during the year ended June 30, 2013, the Authority reduced the rent revenue by $19.2 million for estimated uncollectible amounts. During the year ended June 30, 2013, operating expenses decreased by $26.1 million or 11.1% and rental income increased by $22.3 million or 10.4% when compared with 2012.

- The Authority's operating income increased from an operating loss of $35.1 million for the year ended June 30, 2013 to an operating income of $178.3 million for the year ended June 30, 2014 due to the end of temporary reduction in rent charges.

In fiscal year 2011, and as a part of the Commonwealth's strategy of balancing its general fund's budget, the Commonwealth and the Authority agreed to temporarily amend its rental agreements by excluding from rent charges the portion related to debt service (principal and interest due on bonds) for fiscal years ended June 30, 2011, 2012 and 2013. This resulted in reducing the rent charges for approximately $149, $154 and $175 million, for 2011, 2012 and 2013, respectively. The Authority made the debt service payments using proceeds from lines of credit provided by the Government Development Bank for Puerto Rico (GDB), another component unit of the Commonwealth. In 2012, the Authority issued bonds to repay GDB for the 2011 and 2012 lines of credit. The 2013 line of credit was paid by the Commonwealth with a general obligation bonds issuance in March 2014. Rent charges were reinstated to include the debt service component effective July 1, 2013. Accordingly, the amounts that were reduced from previous years will be eventually collected as the new bonds become due and are allocated in future years' annual rent charges.

Overview of the Basic Financial Statements

The Authority's basic financial statements consist of: Management's Discussion and Analysis (MD&A), Basic Financial Statements, Notes to Financial Statements, Required Supplementary Information and Other Supplementary Information. The Authority is reported as a blended component unit of the Commonwealth.

Management's Discussion and Analysis

The management's discussion provides an analysis to assist the readers in focusing on the significant financial issues and activities and to identify any significant changes in financial position. It is intended to serve as an introduction to the Authority's basic financial statements.

Basic Financial Statements

The *Statement of Net Position* presents financial information on all of the Authority's assets, deferred outflow of resources, and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. Net position increases when revenues exceed expenses. Increases to assets, without a corresponding increase to liabilities, result in a net position increase, which also indicates an improved financial position.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the Authority's net position changed during the period and are reported as soon the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The *Statement of Cash Flows* reports cash receipts, cash payments, and net changes in cash resulting from operations, non-capital financing activities, capital and related financing activities, and investing activities.

The *Notes to Financial Statements* provide additional information that is essential to the full understanding of the data provided in the basic financial statements.

Required Supplementary Information

The required supplementary information provides information concerning the Authority's progress in funding of postemployment healthcare benefits to employees.

Other Supplementary Information

In addition to the basic financial statements, accompanying notes and required supplementary information, various schedules present certain information concerning changes in bond sinking funds accounts and detail of operating rental revenues.

Restatement of Prior Year Financial Statements

During the year ended June 30, 2014, management restated prior year financial statements to comply with GASB 65, *Items Previously Reported as Assets and Liabilities*. The effect was to write – off its unamortized bond issued costs balance of $324 million as of June 30, 2012. The effect of this restatement was to increase the deficit at July 1, 2012 by approximately $32.4 million, therefore the amounts presented herein for fiscal year 2013 include the effect of this restatement.

Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the Authority, liabilities exceeded assets by $280.5 million and $461.6 million, at June 30, 2014 and 2013.

Statements of Net Position

Following is condensed financial information of the Authority's statements of net position:

	June 30,		
	2014	**2013**	**2012**
Assets			
Current assets	$ 178,375,177	$ 159,701,349	$ 157,230,945
Capital assets	3,595,354,158	3,615,933,888	3,399,583,893
Other non-current assets	499,394,050	625,728,674	1,027,908,824
Total assets	4,273,123,385	4,401,363,911	4,584,723,662
Deferred outflows of resources	116,376,535	125,150,526	133,924,514
Total assets and deferred outflows of resources	4,389,499,920	4,526,514,437	4,718,648,176
Liabilitites			
Current liabilities	266,895,799	604,425,604	441,552,067
Non-current liabilities	4,403,071,175	4,383,711,487	4,547,279,740
Total liabilities	4,669,966,974	4,988,137,091	4,988,831,807
Deficit			
Net investment in capital assets	20,160,084	52,630,779	31,834,879
Restricted	11,525,693	38,138,840	57,077,258
Deficit	(312,152,831)	(552,392,273)	(332,599,542)
Total deficit	$ (280,467,054)	$ (461,622,654)	$ (243,687,405)

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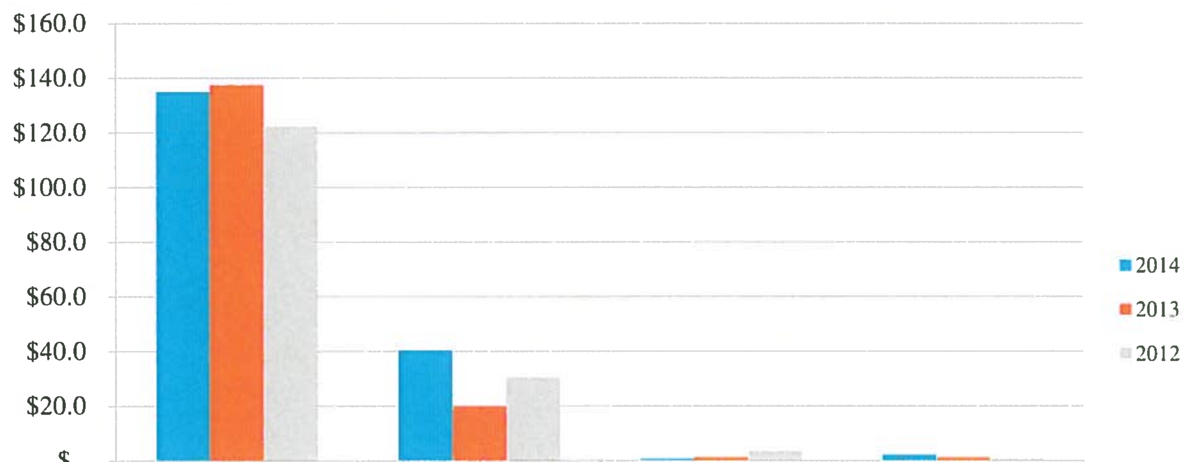
Current assets (in millions)



	Cash	Rent receivable	Other receivable	Other current assets
2014	$135.1	$40.4	$0.7	$2.2
2013	$137.5	$19.7	$1.3	$1.2
2012	$122.4	$30.5	$3.4	$0.9

When comparing June 30, 2014 with June 30, 2013, current assets increased by approximately by $18.7 million or 11.7%. This increase results principally by an increase in rent receivable of approximately $20.7 million, as a result of the end of the temporary agreement of reduction of rental charges to the Commonwealth.

When comparing June 30, 2013 with June 30, 2012, current assets increased by approximately $2.4 million or 1.57%. This increase results principally by an increase in cash and cash equivalents of approximately $15 million and a decrease in rent and other receivables of approximately $12.9 million. During 2013, the Treasury Department of the Commonwealth (Department of Treasury) advanced monies to the Authority to be applied to next fiscal year's rent of certain agencies resulting in an increase in cash and cash equivalents. Total rent receivable at June 30, 2013, including the current and non-current portion, decreased by approximately $32.9 million principally due to the advance payments received from the Department of Treasury and the reserve for doubtful accounts recorded during fiscal year 2013.

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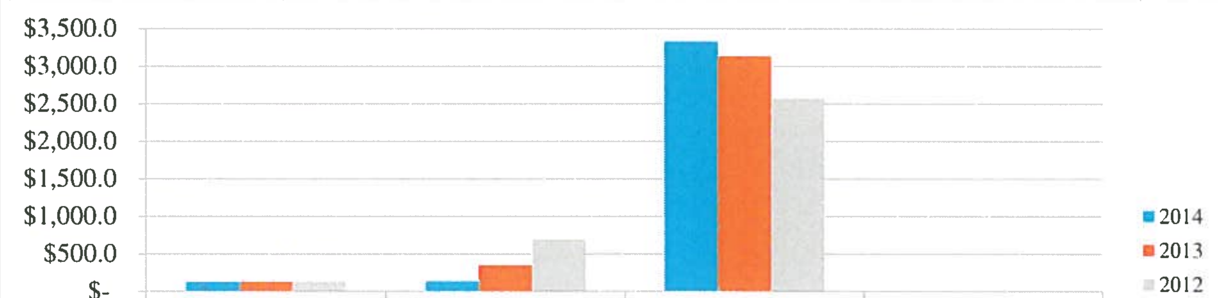
Capital assets (in millions)



	Land	Construction in progress	Buildings, net	Equipment and vehicles, net
2014	$129.5	$136.4	$3,326.4	$3.1
2013	$129.5	$350.2	$3,133.2	$3.0
2012	$130.5	$694.7	$2,569.5	$4.9

Construction in progress consists principally of costs incurred, including capitalized interest and administrative costs, in the construction of new facilities or improvement to existing facilities. During the year ended June 30, 2012, the Authority commenced with the 21st Century School Program (the School Program), which consists of the construction or improvement of over 100 public schools.

The Authority contracted the services of Puerto Rico Infrastructure Financing Authority (AFI, for its acronym in Spanish), a component unit of the Commonwealth, to serve as construction manager. Under the contract, AFI is responsible for the management of the program including, among others, contracting general contractors and/or subcontractors, inspection, supervision and acceptance of the remodeled schools and, in certain cases, provides maintenance to the schools. AFI bills the Authority the cost of the program plus an administrative fee.

At June 30, 2014 and 2013, construction in progress includes approximately $88.9 million and $285.8 million, respectively related to the School Program.

When facilities under construction are completed, the cost of the facility is transferred to the buildings account where the Authority commences to record depreciation on the facility and charges rent to the facility's tenants.

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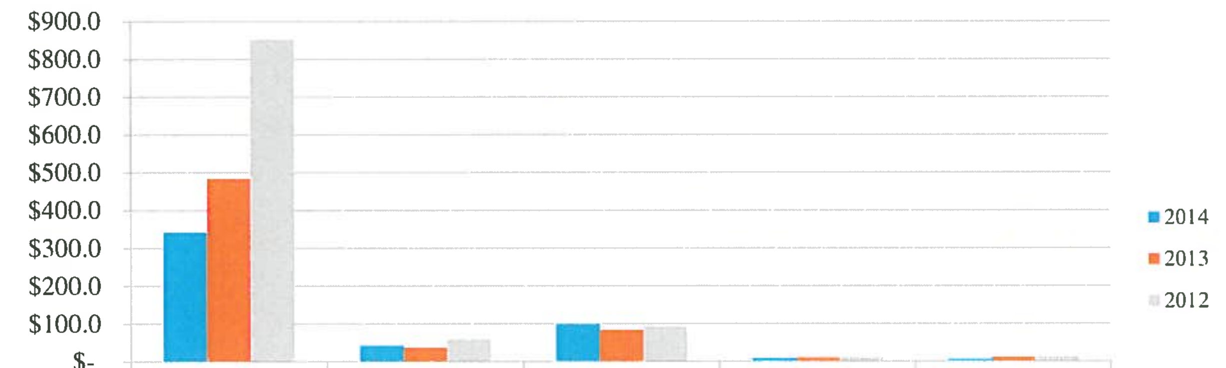
Non-current assets (in millions)



	Restricted cash	Rent receivable	Due from Commonwealth of Puerto Rico	Bond prepaid insurance	Other
2014	$341.8	$43.5	$98.9	$8.7	$6.5
2013	$483.4	$37.9	$83.7	$9.5	$11.2
2012	$852.4	$60.0	$92.9	$10.3	$12.4

Restricted cash consists principally of cash or invested cash deposited in bond sinking funds and construction funds. Amounts deposited in bond sinking funds are restricted for the payment of bonds principal and interest. Amounts deposited in construction funds are restricted for the payment of costs incurred in the construction of new facilities or the improvements of existing facilities.

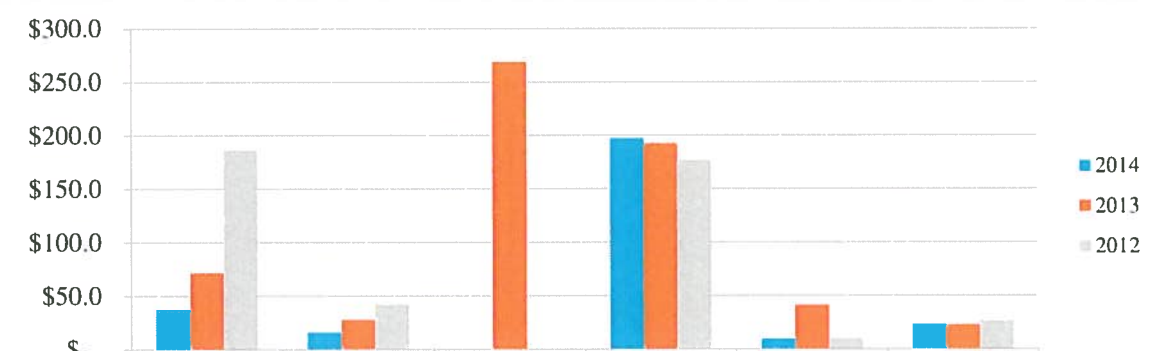
During the year ended June 30, 2014 and 2013, restricted cash and cash equivalents decreased by approximately $141.6 million and $369 million or 29% and 43%, respectively, principally due to a decrease in construction fund for monies used to finance the cost of facilities constructed during the year, especially the schools under the School Program.

Rent receivable included as non-current assets represents the portion of the amount due by agencies, public corporations and municipalities of the Commonwealth that Authority's management believes that will not be collected during the next twelve (12) months. In 2014, non-current rent receivable increased due to the reduction of payments made by the Commonwealth. In 2013, this amount decreased due to payments received for rent charges that were significantly overdue by the Commonwealth. At June 30, 2014 and 2013, these amounts are net of an estimated reserve for bad debts of $19.1 million.

Due from Commonwealth at June 30, 2014 and 2013 consist of costs incurred in projects that were not completed, and were cancelled by the Commonwealth. The Puerto Rico Office of Management and Budget (OMB) agreed that, subject to certain audit procedures, it will pay this amount to the Authority.

Other non-current assets at June 30, 2014 and 2013 consists primarily of notes receivable from governmental agencies, cost of properties held for sale and costs incurred in the construction of facilities for other governmental agencies.

Current liabilities (in millions)



	Accounts payable	Accrued expenses	Line of credit	Bonds and interest payable	Rent collected in advance	Due to contractors
2014	$37.6	$16.3	$-	$197.5	$9.6	$23.0
2013	$71.6	$27.8	$269.0	$192.7	$41.4	$22.8
2012	$186.4	$42.0	$-	$176.8	$9.9	$26.5

Accounts payable consist of amounts due to suppliers for the acquisition of goods and services. In addition, includes amounts due to governmental agencies and public corporations for electricity and other related services. The most significant amount included in this category is the amount due to AFI amounting to $22.4 million and $63.3 million at June 30, 2014 and 2013, respectively, related to the School Program.

The amount of the lines of credit included in current liabilities consists of amounts due to GDB under various agreements, which are due within the next fiscal year. During prior years, all lines of credit were due on a long-term basis.

During the year ended June 30, 2014, rent collected in advance decreased by $ 31.7 million or 76.7%. The OMB reduced its payments in the fiscal year 2013-2014 for the excess of monies paid in the last year.

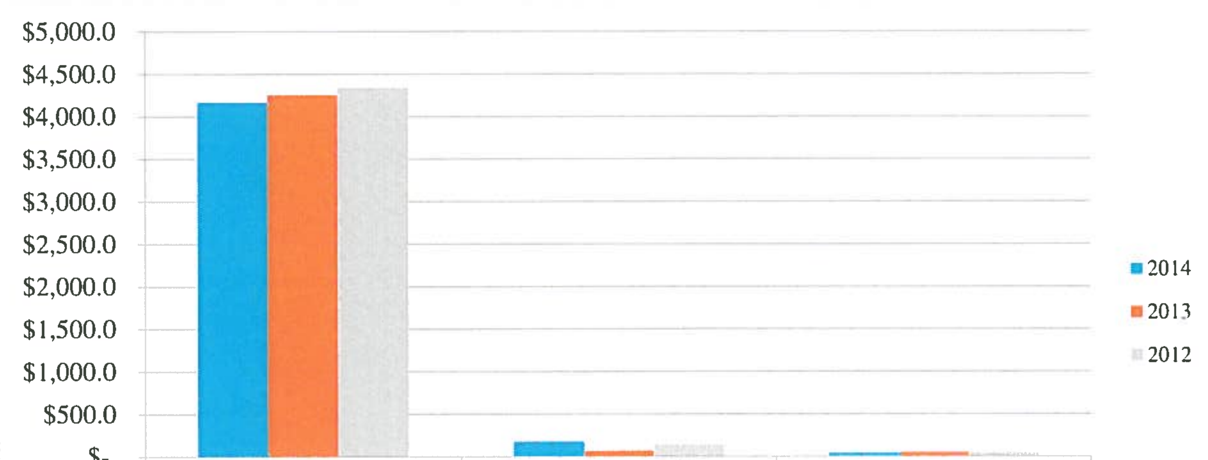
During the year ended June 30, 2013, rent collected in advance increased by $31.4 million or 317.5% when compared with fiscal year 2012. During 2012, the OMB commenced to liquidate balances that were significantly overdue and to pay certain rents to the Authority based on estimates rather than actual billings. The most significant balances included in this category are rent advances from the Department of Education, Department of Health and Police Department of Puerto Rico.

Accrued expenses payable include the current portion of compensated absences, other post-employment benefits, voluntary termination benefits and other accrued expenses such as payroll tax withholdings.

Bonds and interest payable consist of the current portion of the amounts due at June 30, 2014 and 2013 in accordance with debt repayment schedule.

Due to contractors represents the balance for projects under construction. Normally, the contractors submit progress billings for projects in process and the Authority pays these invoices, except for the retainage portion. This withholding is used as a guarantee that the contractor will complete the project in accordance with contract requirements. Normally the retainage will be paid upon completion and acceptance of the projects, as determined by the Authority's engineers.

Non-current liabilities (in millions)



	Bonds payable	Lines of credit	Other
2014	$4,169.4	$175.5	$41.1
2013	$4,249.2	$67.2	$46.4
2012	$4,337.9	$137.4	$45.5

Decrease in bonds payable during the years ended June 30, 2014 and 2013, consist of the payments made during each fiscal year in accordance with the related payment schedule.

The Authority has various line of credit agreements with GDB. Some of the agreements are to provide interim financing for construction of Authority's facilities while others are to finance operations including the financing of debt service requirements under the bonds agreements.

Other non-current liabilities at June 30, 2014 and 2013, consist of the non-current portion of post-retirement employee benefits, legal claims, and voluntary termination benefits. These amounts decreased in total by $5.3 million: $1.8 million decrease in voluntary termination benefits, $1.8 million increase in other post-employment benefits, $1.6 million decrease in compensated absences, decrease in legal reserve of $618 thousand, and a decrease of $2.8 million in advances from other governmental agencies. These amounts remained comparable during fiscal years 2013 and 2012.

Statement of Revenues, Expenses and Changes in Net Position

Following is condensed financial information of the Authority's statements of revenues, expenses and changes in net position:

	Years Ended June 30,		
	2014	2013	2012
REVENUES:			
Operating	$ 412,834,715	$ 186,347,891	$ 235,128,787
Non operating	253,196,092	67,194,928	63,636,141
Total	666,030,807	253,542,819	298,764,928
EXPENSES:			
Operating	234,533,733	221,474,160	208,340,303
Non operating	250,341,474	250,003,908	228,644,700
Total	484,875,207	471,478,068	436,985,003
Change in net position	181,155,600	(217,935,249)	(138,220,075)
Deficit			
Beginning of year, as restated	(461,622,654)	(243,687,405)	(105,467,330)
End of year	$ (280,467,054)	$ (461,622,654)	$ (243,687,405)

Operating revenues

Operating revenues consists principally of rent charges to agencies, public corporations and municipalities of the Commonwealth. Rent revenue increased $226.5 million from 2013 to 2014 as a result of the end of the temporary agreement of reduction of rental charges to the Commonwealth and no reserve for bad debt was made during the year.

Revenue decreased $48.8 million from 2012 to 2013 as a result of the temporary amendment of the rental charges between the Authority and the Commonwealth. In addition, during the year ended June 30, 2013, rental revenue is net of an estimated reserve for bad debts in the amount of $19.1 million.

Non operating Revenues

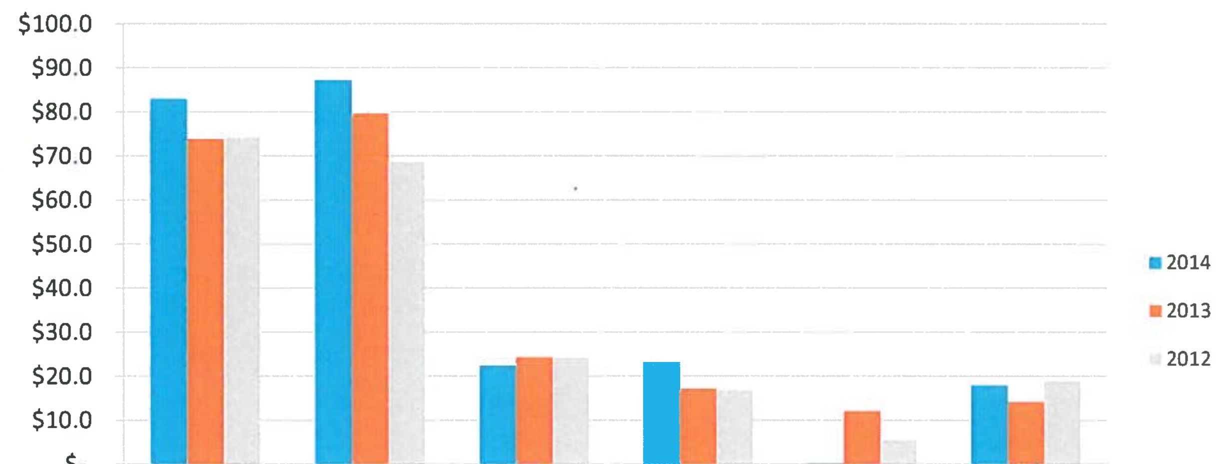
During the years ended June 30, 2014 and 2013, the Authority received a subsidy from the Federal Government in the amount of approximately $35.8 million and $41 million for the payment of interest on Series R and T bonds issued during 2012.

Also, during the years ended June 30, 2014 and 2013, the Authority received operating grants from the Commonwealth to finance operating expenses in the amounts of approximately $214 million and $16.8 million, respectively. For the year ended June 30, 2014, the grants consists of $19.8 million that were to cover operating expenses, $1.3 million to cover retirement expenses and the other $192.9 million to pay

lines of credit balances incurred to cover the rent revenue reduction from the agreement made with the Commonwealth, as explained in the financial highlights section, above.

Expenses (in millions)

The following chart discloses the major components of operating expenses for the years ended June 30, 2014, 2013 and 2012:



	Salaries and benefits	Depreciation	Utilities	Repairs	Legal reserve	Other
2014	$83.0	$87.3	$22.5	$23.2	$0.3	$18.0
2013	74.0	79.7	24.3	17.2	12.1	14.2
2012	74.2	68.7	24.3	16.9	5.5	18.8

During the year ended June 30, 2014, operating expenses increased by $13.1 million or 2.8% when compared with fiscal year 2013. Salaries and benefits increased by approximately $9.1 million due to increases in summer program jobs and pension contributions. Legal reserve expense decreased by $11.8 million due to no existing new cases. Depreciation expense increased by $7.6 million due to increase in projects transferred as completed and started to depreciate. The repairs and maintenance and security services expenses increased by $3.1 million. Professional services decreased by $3.2 million and a reduction of capitalized administrative expenses to construction in progress made the effect to decrease expenses by $2.3 million.

During the year ended June 30, 2013, expenses increased by $34.5 million or 7.9% when compared with fiscal year 2012. Salaries and benefits decreased by approximately $200 thousand. Legal reserve increased by $6.6 million due to development in existing and new cases as recommended by Authority's legal advisors. The increase legal reserve and repairs was netted by a decrease in professional services included as other operating expenses in the above chart. Professional services decreased by $5.8 million. Interest expense consists of the interest paid and accrued on the Authority's bonds and lines of credit agreements with GDB increased by $19.8 million.

A nonoperating expense consists of interest paid and accrued on the Authority's bonds and lines of credit agreements with GDB.

Non-operating Revenues and/or Expenses

During the years ended June 30, 2014 and 2013, the Authority received a subsidy from the Federal Government in the amount of approximately $35.8 million and $41 million for the payment of interest on Series R and T bonds issued during 2012.

During the years ended June 30, 2014 and 2013, the Authority received operating grants from the Commonwealth to finance operating expenses in the amounts of approximately $214 million and $16.8 million, respectively. For the year ended June 30, 2014 the grants consists of $19.8 million that were to cover operating expenses, $1.3 million to cover retirement expenses and the other $ 192.9 million to pay lines of credit balances incurred to cover the rent revenue reduction from the agreement made with the Commonwealth, as explained in the financial highlights section, above. Included in such amount, in 2013, is approximately $5.8 million received from Puerto Rico Sales Tax Financing Corporation, an affiliate of GDB, for the payment of principal and accrued interest in one of the lines of credit with GDB. The amount recorded during each year depends on annual appropriations by the Commonwealth.

Interest expense consists of the interest paid and accrued on the Authority's bonds and lines of credit agreements with GDB.

Capital grants

Capital grants consist of annual appropriations from the Commonwealth that are restricted to finance cost of construction or improvement of Authority's facilities.

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Capital Assets:

Capital assets as of June 30, 2014 and 2013 consist of:

	June 30, 2014	June 30, 2013	Change
Capital assets not being depreciated:			
Land	$ 129,524,461	$ 129,494,314	$ 30,147
Construction in progress	136,376,177	350,244,678	(213,868,501)
Total	265,900,638	479,738,992	(213,838,354)
Capital assets being depreciated, net of accumulated depreciation:			
Buildings	3,326,364,222	3,133,173,656	193,190,566
Equipment and vehicles	3,089,298	3,021,240	68,058
Total	3,329,453,520	3,136,194,896	193,258,624
Capital assets, net	$ 3,595,354,158	$ 3,615,933,888	$ (20,579,730)

	June 30, 2013	June 30, 2012	Change
Capital assets not being depreciated:			
Land	$ 129,494,314	$ 130,473,114	$ (978,800)
Construction in progress	350,244,678	694,689,221	(344,444,543)
Total	479,738,992	825,162,335	(345,423,343)
Capital assets being depreciated, net of accumulated depreciation:			
Buildings	3,133,173,656	2,569,498,025	563,675,631
Equipment and vehicles	3,021,240	4,923,533	(1,902,293)
Total	3,136,194,896	2,574,421,558	561,773,338
Capital assets, net	$ 3,615,933,888	$ 3,399,583,893	$ 216,349,995

June 30, 2014 and 2013

The Authority's investment in capital assets as of June 30, 2014 and 2013 amounted to approximately $3.6 billion, net of accumulated depreciation. Capital assets include land, land improvements, construction in progress, buildings, equipment, furniture, and vehicles. Most buildings consist of governmental facilities that are leased to the Commonwealth's agencies and public corporations. For more information, please refer to Note 11 of the basic financial statements.

During the years ended June 30, 2014 and 2013, the Authority invested approximately $74.8 million and $299.5 million, respectively, for the construction of buildings that will be leased to the Commonwealth. The reduction of the investment consists on the partial completion of the 21st Century Schools project, which is the most significant construction project for the Authority during the fiscal year. This construction activity was financed through interim lines of credit with the GDB and the proceeds of the bonds issuances.

June 30, 2013 and 2012

The Authority's investment in capital assets as of June 30, 2013 and 2012 amounted to approximately $3.6 billion and $3.4 billion, respectively, net of accumulated depreciation. Capital assets include land, land improvements, construction in progress, buildings, equipment, furniture, and vehicles. Most buildings consist of governmental facilities that are leased to the Commonwealth's agencies and public corporations. For more information, please refer to Note 11 of the basic financial statements.

During the years ended June 30, 2013 and 2012, the Authority invested approximately $299.5 million and $486.3 million, respectively, for the construction of buildings that will be leased to the Commonwealth. This construction activity was financed through interim lines of credit with the GDB and the proceeds of the bonds issuances.

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Debt Administration

Debt consists principally of bonds payable, net of related unamortized bond discount or premiums and deferred loss on refunding, and borrowings under line of credit agreements with GDB. Debt was issued principally to finance capital assets and to finance operating expenses and is summarized as follows:

	June 30,		
	2014	**2013**	**Change**
Office buildig bonds	$ 37,315,000	$ 37,315,000	$ -
Government facilities revenue bonds	4,193,282,000	4,265,877,000	(72,595,000)
Total	4,230,597,000	4,303,192,000	(72,595,000)
Add (deduct):			
Bond discounts	(27,949,784)	(29,518,993)	1,569,209
Bond premiums	43,496,799	48,152,718	(465,599)
Total	15,547,015	18,633,725	1,103,610
Bonds payable, net	4,246,144,015	4,321,825,725	(75,681,710)
Lines of credit with GDB	175,453,091	336,144,188	(160,691,097)
Total debt	$ 4,421,597,106	$ 4,657,969,913	$ (236,372,807)

	June 30,		
	2013	**2012**	**Change**
Revenue bonds	$ 37,315,000	$ 37,315,000	$ -
Government facilities	4,265,877,000	4,354,697,000	(88,820,000)
Total	4,303,192,000	4,392,012,000	(88,820,000)
Add (deduct):			
Bond discounts	(29,518,992)	(30,870,194)	1,351,202
Bond premiums	48,152,718	55,374,003	(7,221,286)
Total	18,633,726	24,503,809	(5,870,084)
Bonds payable net	4,321,825,725	4,416,515,809	(94,690,084)
Lines of credit with GDB	336,144,188	137,354,340	198,789,848
Total debt	$ 4,657,969,913	$ 4,553,870,149	$ 104,099,764

June 30, 2014 and 2013

During the year ended June 30, 2014, bonds payable decreased by approximately $72.6 million before amortization of bonds discount and premiums due to schedule of principal payments on bonds. During fiscal year 2014, the Authority paid-off the two lines of credit of $174 million plus interest. Source of repayment came from funds received from the Commonwealth of Puerto Rico's bond issuances.

June 30, 2013 and 2012

During the year ended June 30, 2013, bonds payable decreased by approximately $88.8 million before amortization of bonds discount and premiums due to schedule of principal payments on bonds. During fiscal year 2013, the Authority obtained two lines of credit with GDB amounting to $174 million to finance the debt service requirements of the bonds during 2013, as explained above. These lines of credit will be repaid with future bond issuances.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances for all those interested parties. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Comptroller's Office, Public Buildings Authority, PO Box 41029, San Juan, PR 00940-1029.

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Public Buildings Authority

(A Component Unit of the Commonwealth of Puerto Rico)

Statements of Net Position

June 30, 2014 and 2013

	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 135,058,275	$ 137,550,967
Rent receivable	40,427,140	19,695,372
Other receivables, net	734,834	1,281,362
Other current assets	2,154,928	1,173,648
Total current assets	178,375,177	159,701,349
Non-current assets:		
Restricted cash and cash equivalents:		
Bond sinking funds	187,554,376	195,958,953
Cash to be deposited in bond sinking funds	4,731,461	16,736,636
Construction funds	148,049,477	266,688,188
Funds for construction of facilities for other governmental agencies	1,463,412	3,699,097
School renovation funds	-	305,136
Other	-	484
Rent receivable	43,463,436	37,895,306
Due from Commonwealth of Puerto Rico	98,876,048	83,677,355
Note receivable from other governmental agency	6,353,536	6,826,859
Land and buildings under construction for other governmental agencies	-	4,269,632
Prepaid insurance on bonds	8,703,940	9,472,664
Capital assets:		
Land and construction in progress	265,900,638	479,738,992
Buildings, equipment and vehicles, net	3,329,453,520	3,136,194,896
Property held for sale	198,364	198,364
Total non-current assets	4,094,748,208	4,241,662,562
Total assets	4,273,123,385	4,401,363,911
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on bond defeasance	116,376,535	125,150,526
Total assets and deferred outflows of resources	4,389,499,920	4,526,514,437

Continued

The accompanying notes are an integral part of these financial statements.

Public Buildings Authority

(A Component Unit of the Commonwealth of Puerto Rico)

Statements of Net Position

June 30, 2014 and 2013

	2014	2013
LIABILITIES		
Current liabilities:		
Accounts payable	$ 9,710,794	$ 3,739,913
Intergovermental	5,475,065	4,588,723
Accrued expenses	4,806,890	17,422,299
Rent collected in advance	9,647,845	41,369,527
Compensated absences	8,191,195	7,219,228
Other post-employment benefits	898,324	800,341
Voluntary termination benefits	2,135,328	2,354,425
Borrowings under lines of credit	-	268,966,889
Current liabilities payable from restricted assets:		
Bonds payable	76,760,000	72,595,000
Interest payable	120,718,359	120,105,806
Due to contractors	6,178,084	1,978,953
Puerto Rico Infrastructure Financing Authority	22,373,915	63,284,500
Total current liabilities	266,895,799	604,425,604
Non-current liabilities:		
Borrowings under lines of credit	175,453,091	67,177,299
Bonds payable	4,169,384,015	4,249,230,725
Advances from other governmental agencies for construction of facilities	183,234	3,024,596
Due to contractors, contract retainage	16,854,008	20,869,168
Accrued legal contingencies	20,192,875	20,810,593
Compensated absences	2,830,383	4,418,888
Other post-employment benefits	11,484,639	9,685,798
Voluntary termination benefits	6,688,930	8,494,420
Total non-current liabilities	4,403,071,175	4,383,711,487
Total liabilities	4,669,966,974	4,988,137,091
DEFICIT		
Net investment in capital assets	20,160,084	52,630,779
Restricted for debt service	10,245,515	32,887,087
Restricted for other purposes	1,280,178	5,251,753
Deficit	(312,152,831)	(552,392,273)
Total deficit	$ (280,467,054)	$ (461,622,654)

(Concluded)

The accompanying notes are an integral part of these financial statements.

Public Buildings Authority

(A Component Unit of the Commonwealth of Puerto Rico)

Statements of Revenues, Expenses and Changes in Net Position

For the Fiscal Years Ended June 30, 2014 and 2013

	2014	2013
Operating revenues:		
Rental revenues from governmental agencies, net of bad debt expense of $19,174,836 in 2013	$ 412,834,715	$ 186,347,891
Operating expenses:		
Salaries and employees' benefits	83,018,591	73,951,987
Depreciation	87,307,112	79,695,465
Utilities	22,514,712	24,333,530
Repairs and maintenance	23,162,003	17,191,581
Voluntary termination benefits	270,764	7,554
Security services	2,316,222	5,175,302
Rent and insurance	9,887,481	8,334,039
Legal claims	305,157	12,120,161
Other, net of capitalized expenses of $2,751,115 and $9,300,367 in 2014 and 2013	5,751,691	664,541
Total operating expenses	234,533,733	221,474,160
Operating income (loss)	178,300,982	(35,126,269)
Nonoperating revenue (expenses)		
Grant for the payment of bonds	35,883,031	41,086,691
Operating grants from Commonwealth of Puerto Rico	214,368,717	16,806,958
Interest on bonds and notes	(250,341,474)	(250,003,908)
Interest and other income	1,652,306	3,965,323
Services charges and other	1,292,038	2,947,686
Total nonoperating revenue (expenses)	2,854,618	(185,197,250)
Income (loss) before capital contributions	181,155,600	(220,323,519)
Contributions	-	2,388,270
Change in net position	181,155,600	(217,935,249)
Deficit		
At beginning of year, as restated	(461,622,654)	(243,687,405)
At end of year	$ (280,467,054)	$ (461,622,654)

The accompanying notes are an integral part of these financial statements.

Public Buildings Authority

(A Component Unit of the Commonwealth of Puerto Rico)

Statements of Cash Flows

For the Fiscal Years Ended June 30, 2014 and 2013

	2014	2013
Operating activities		
Receipts from tenants	$ 354,813,136	$ 250,690,669
Payments to employees and related benefits	(84,803,337)	(71,216,742)
Payments for goods and services	(55,890,322)	(76,355,496)
Net cash provided by operating activities	214,119,477	103,118,431
Noncapital related financing activities		
Operating grants from Commonwealth of Puerto Rico	13,300,776	12,560,920
Other non-operating receipts	1,387,349	2,150,731
Borrowings under operating line of credits	-	174,798,158
Payments of operating line of credits	(2,494,039)	(4,899,789)
Interest paid	(3,452,906)	(5,575,329)
Net cash provided by noncapital related financing activities	8,741,180	179,034,691
Capital and related financing activities		
Capital expenditures, net of interest capitalized	(97,510,546)	(396,096,127)
Capital grants	-	2,388,270
Subsidy from Federal Government for the payment of bonds	35,883,031	41,086,691
Payment of bonds	(72,595,000)	(88,820,000)
Proceeds from borrowings under line of credits	16,565,544	28,891,480
Interest paid	(238,070,513)	(230,330,479)
Land and buildings under construction for other governmental agencies	1,428,270	(2,730,815)
Proceeds from sale of property	-	5,123,642
Net cash used in capital and related financing activities	(354,299,214)	(640,487,338)
Investing activities		
Net change in amount due from Commonwealth of Puerto Rico	(15,234,248)	(1,131,698)
Collection of notes receivable	473,323	907,709
Interest and investment income collected	2,117,022	4,656,110
Net cash provided (used in) by investing activities	(12,643,903)	4,432,121
Net decrease in cash and cash equivalents	(144,082,460)	(353,902,095)
Cash and cash equivalents		
Beginning of year	620,939,461	974,841,556
End of year	$ 476,857,001	$ 620,939,461

(Continued)

The accompanying notes are an integral part of these financial statements.

Public Buildings Authority

(A Component Unit of the Commonwealth of Puerto Rico)

Statements of Cash Flows

For the Fiscal Years Ended June 30, 2014 and 2013

	2014	2013
Reconciliation to cash and cash equivalents presented in the statement of net position		
Cash and cash equivalents	$ 135,058,275	$ 137,550,967
Restricted cash and cash equivalents		
Bonds sinking funds	187,554,376	195,958,953
Construction funds	148,049,477	266,688,188
Cash to be deposited in bonds sinking funds	4,731,461	16,736,636
Funds for the construction of facilities for other government entities	1,463,412	3,699,097
School renovation program	-	305,136
Other	-	484
Total cash and cash equivalents	$ 476,857,001	$ 620,939,461
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	$ 178,300,982	$ (35,126,269)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	87,307,112	79,695,465
Non-cash repairs and maintenance expenses	13,830,168	4,246,038
Bad debt expense	-	19,174,836
Net change in operating assets and liabilities:		
Rent receivable	(26,299,897)	13,706,395
Other current assets	(981,280)	(320,793)
Prepaid insurance on bonds	768,723	826,501
Accounts and accrued expenses payable	(7,084,649)	(10,545,289)
Rent collected in advance	(31,721,682)	31,461,547
Net cash provided by operating activities	$ 214,119,477	$ 103,118,431
Summary of Non-Cash Transactions		
Reclassification from due from Commonwealth to construction in progress	$ -	$ 9,226,342
Operating grant tranferred directly to AFI by Commonwealth of Puerto Rico for public schools maintanance expenses	$ 13,830,168	$ 4,246,038
Payment of Line of Credit and related accrued interest by Commonwealth of Puerto Rico	$ 193,079,380	$ 5,820,266

(Concluded)

The accompanying notes are an integral part of these financial statements.

1. ORGANIZATION

The Public Buildings Authority (the Authority) is a blended component unit of the Commonwealth of Puerto Rico (the Commonwealth), created on June 19, 1958 by Act No. 56, as amended, of the Legislature of Puerto Rico (the Enabling Act). The Authority designs, constructs, administers, and provides maintenance to office buildings, courts, warehouses, schools, health care facilities, welfare facilities, shops, and related facilities leased to the Commonwealth or any of its departments, agencies, instrumentalities or municipalities. The annual rent for each leased building is based on the amounts needed by the Authority to cover the payment of:

1. Principal, interest and other amortization requirements of the notes and bonds issued to finance the buildings;
2. Operating and maintenance expenses of the buildings, including a reasonable proportional share of administrative expenses, excluding depreciation; and,
3. Cost of equipment replacement and extraordinary repairs

Components (2) and (3), described above, are subject to escalation to permit the Authority to recover the costs incurred. Amounts due from departments and governmental agencies of the Commonwealth may be subject to periodic revisions and/or adjustments based on the availability of funds at the Commonwealth level.

The Enabling Act provides that the full faith and credit of the Commonwealth is pledged for the payment of rent under any lease agreement executed pursuant to the Enabling Act with any department of the Commonwealth. The Enabling Act also provides that the Department of the Treasury of the Commonwealth of Puerto Rico (the Treasury Department) will make advances to the Authority for any unpaid portion of rent payable to the Authority by any agency or instrumentality of the Commonwealth that has entered into lease agreements with the Authority. Such advances are recorded as a reduction of accounts receivable since the responsibility of reimbursement belongs to the agency in accordance to the Enabling Act.

2. SUMMARY OF SIGNIFICANT ACOUNTING POLICIES

a. ***Basis of Accounting*** – The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The activities of the Authority are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets, deferred outflows, liabilities, net position, revenues and expenses are accounted for through a single enterprise fund with revenues recorded when earned and expenses recorded as incurred.

b. ***Recently Adopted Accounting Standards*** – Effective July 1, 2013, the Authority adopted provisions of GASB Statement 65, *Items Previously Reported as Assets and Liabilities.* The objective of this Statement is to either: (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources, or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These determinations are

based on the definitions of those elements in Concepts Statement No. 4, *Elements of Financial Statements*. As result of the adoption of this statement, the Authority restated its previous financial statements to write-off previously deferred bond issue costs amounting to approximately $31 million at July 1, 2013. Statement 65 requires that bond issue costs be recorded as an expense as incurred. In addition, Statement 65 requires that the deferred loss on bond refunding be presented as deferred outflows in the statement of net position.

c. ***Use of Estimates*** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results may differ from those estimates.

d. ***Fair Value of Financial Instruments*** – The carrying amounts reported in the statements of net position for cash and cash equivalents and receivables, approximate fair value due to their short-term duration. Amounts deposited in bond sinking funds and construction funds are carried at fair value. The carrying amount of bonds payable approximates fair value since interest rates on such debt approximate the rates currently available in the market for other debt with similar terms and remaining maturities.

e. ***Cash and Cash Equivalents*** – Cash and cash equivalents include all highly liquid instruments with maturities of three months or less at the time of acquisition. If such instruments are included in restricted assets, they are considered cash equivalents for purposes of the statements of cash flows.

f. ***Allowance for Doubtful Accounts*** - The allowance for doubtful accounts is an amount that management believes will be adequate to absorb possible losses on existing receivables, excluding debt service rentals and maintenance charges that may become uncollectible based on evaluations of the collectability of each balance. Because of uncertainties inherent in the estimation process, management's estimate of losses in the receivables outstanding and the related allowance may change in the near term.

g. ***Restricted Assets and Liabilities Payable from Restricted Assets*** – Restricted assets represent the amounts deposited by the Authority to provide for the principal and interest payments of bonds payable and related interest costs and cash available in the related construction fund. When both restricted and unrestricted resources are available for a specific use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

h. ***Capital Assets*** - Capital assets are recorded at cost. The construction costs include indirect administrative costs and interest costs allocated during the construction period. Capital assets are assets with an individual cost of more than $100 and a useful life in excess of five (5) years. As of June 30, 2014 and 2013, property (excluding cost of land, equipment and construction in progress) with a net book value of $ 3,595 million and $3,616 million, respectively, is leased to other governmental agencies.

Interest cost is capitalized as part of the historical cost of acquiring certain assets. To qualify for interest capitalization, assets must require a period of time before they are ready for their intended purpose. Interest earned on proceeds of tax-exempt borrowings arrangements restricted for the acquisition of qualifying assets is offset against interest cost to determine the net amount to be

capitalized. Interest cost is not capitalized on costs paid with the proceeds of grants or donations restricted solely for construction.

Expenditures for major renewals and betterments that extend the useful life of the assets are capitalized and normal repairs and maintenance are expensed when incurred. Depreciation is determined using the straight-line method, over the estimated useful lives of the assets, is as follows:

Buildings	50 years
Equipment and automobiles	5-10 years

i. ***Impairment of Capital Assets*** – A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The Authority evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage, among others.

The Authority evaluated its capital assets and recorded an impairment provision and an allowance of $929,000 during the year ended 2013. No impairment allowance was identified during the year ended June 30, 2014.

j. ***Property Held for Sale*** – Capital assets that have been identified to be for sale are presented net of accumulated depreciation and net of the incidental cost to dispose or sell such assets.

k. ***Claims and Judgments*** – The estimated amount of the liability for claims and judgments is recorded on the accompanying statements of net position based on the Authority's evaluation of the probability of an unfavorable outcome in the litigation of such claims and judgments. The Authority consults with legal counsel upon determining whether an unfavorable outcome is expected. Because of uncertainties inherent in the estimation process, management's estimate of the liability for claims and judgments may change in the future.

l. ***Compensated Absences*** – Compensated absences are accrued when earned by the employees. Employees may carry forward their vacation and sick leave as permitted by statute and may receive a cash payment from the Authority upon termination of employment.

m. ***Bond Premiums, Discounts, and Loss on Refinancing*** - Bond premiums and discount are amortized as a component of interest expense over the lives of the related issue using the straight line method in a manner that approximates the interest method.

The deferred loss on bond defeasance is presented as deferred outflows in the accompanying statement of net position and the related amortization is presented as a component of interest expense.

n. ***Deferred Outflows of Resources*** – In addition to assets, the Authority reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not

be recognized as an outflow of resources (expense) until then. The deferred loss on bond refunding qualifies for presentation in this category.

o. ***Net Position*** – The difference between assets and liabilities is presented as "Net Position". Component of net position are the following:

(1) *Net investment in capital assets* - Consists of capital assets, net of accumulated depreciation reduced by the outstanding balance of any bonds, mortgage notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds, is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

(2) *Restricted for debt service* - Net position restricted for debt service consists of restricted net assets for payment of principal and interest related to bonds payable. This restriction is imposed by the bondholders through debt covenants.

(3) *Restricted for other purposes* - This restriction is imposed by the grantors and contributors.

(4) *Unrestricted* - This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

p. ***Operating Revenues and Expenses*** – The Authority distinguishes operating revenues and expenses from non-operating items. Revenues associated with the rent of the buildings and other miscellaneous revenues are recorded as operating revenues when earned rather than when the cash is received. Expenses related to the administration and maintenance of the buildings are recorded as operating expenses. All other revenues and expenses are considered non-operating.

All current existing leases meet the criteria to be treated as operating leases. Accordingly, rent revenue is recognized as operating revenue over the term of the lease and new leases are evaluated to determine proper treatment as operating or capital leases. Rent revenue is pledged as collateral for the repayment of the Authority's revenue bonds.

Non-operating revenues include activities that have the characteristics of non-exchange transactions that are defined as non-operating revenues by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, such as state appropriations and investment income.

q. ***Risk Financing*** – The Authority carries commercial insurance to cover casualty, theft, claims and other loss. The current insurance policies have not been cancelled or terminated. The Authority has not settled any claims in excess of its insurance coverage during the past three years. The Authority also pays premiums for workers compensation insurance to another component unit of the Commonwealth.

r. ***Subsequent Events*** – In preparing these financial statements, the Authority has evaluated significant transactions for potential recognition or disclosure through January 20, 2015, the date the financial statements were issued. Based on such analysis, no additional transaction need to be recorded or disclosed except for the subsequent event disclosed in Note 24.

s. ***Reclassifications*** – Certain reclassifications have been made to the 2013 figures to conform to current year's presentation.

3. RESULTS OF OPERATIONS

As of June 30, 2014, the Authority has a deficit of $280.5 million. The Authority faces a number of challenges that are closely related to the Commonwealth's economic recession. During the current fiscal year, management continued its policy of strict fiscal and budgetary control and economic measures. In addition, the Authority intends to improve its government office facilities in order to retain existing tenants and attract new agencies and instrumentalities.

Rent receivable includes amounts due by agencies and public corporations of the Commonwealth that are overdue. In addition, the Authority has a receivable, presented as Due from Commonwealth, for approximately $98 million for costs incurred in the development of projects that were subsequently suspended. The inability of the Authority to collect the total amount due on time could result in an adverse effect on the Authority's financial position and results of operations.

In fiscal year 2011, and as a part of the Commonwealth's strategy of balancing its general fund's budget, the Commonwealth and the Authority agreed to temporarily amend its rental agreements by excluding from rent charges the portion related to debt service (principal and interest due on bonds) for fiscal years ended June 30, 2011, 2012 and 2013. This resulted in a reduction of the rent charges for approximately $149 million, $154 million and $175 million, for 2011, 2012 and 2013, respectively. The Authority made the debt service payments through lines of credit provided by the Government Development Bank for Puerto Rico (GDB), another component unit of the Commonwealth. In 2012, the Authority issued bonds to repay GDB for the 2011 and 2012 lines of credit. The 2013 line of credit was paid by the Commonwealth of Puerto Rico with a general obligation bonds issuance in March 2014. This payment is included as an operating grant from the Commonwealth of Puerto Rico in the accompanying statement of revenues, expenses and changes in net position. Rent charges were reinstated to include the debt service component effective July 1, 2013. Accordingly, the amounts that were reduced from previous years will be eventually collected as the new bonds become due and are allocated in future years' annual rent charges.

As a result of the above, the Authority's deficit decreased by $181.2 million during the year ended June 30, 2014 as compared with the increase of $222 million during the year ended June 30, 2013, mainly for the repayment of lines of credit by Commonwealth in March 2014.

4. UNRESTRICTED CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30, 2014 and 2013 consist of:

	2014	2013
Cash on hand and in banks	$ 1,735,846	$ 7,435,954
Certificates of deposits	133,322,429	130,115,013
Total cash and cash equivalents	$ 135,058,275	$ 137,550,967

5. RENT RECEIVABLE

This balance represents the amount due from Commonwealth agencies and instrumentalities determined in accordance with the corresponding rent contracts. The Secretary of the Treasury of the Commonwealth may make advances on behalf of certain agencies and instrumentalities lessees and make payments on behalf of certain department lessees.

Minimum lease rentals are as follows:

Fiscal Year Ending June 30,	Amount
2015	$ 419,935,678
2016	419,329,431
2017	418,583,443
2018	417,356,780
2019	418,783,010
2020-2024	1,574,498,655
2025-2029	2,586,694,985
2030-2034	1,405,633,016
2035-2042	1,858,207,199

Minimum lease rentals are revised every July 1st based on, among other things, debt service requirements for the particular year. At June 30, 2014 and 2013, the Authority reclassified approximately $43.5 million and $38 million, respectively, of the rent receivable as a non-current asset because collection is not expected to be received during the next 12-month period.

The total amount classified as long-term rent receivable includes approximately $8.5 million over one year old, $9.5 million over 2 years old and $44.6 million over 3 years old less an estimated allowance for bad debt of approximately $19.1 million. The most significant amounts included in the above categories are amounts due from the Courts Administration and the Cardiovascular Center of the Commonwealth of Puerto Rico, amounting to approximately $42.4 million and $17.7 million, respectively.

The Authority filed a lawsuit against the Courts Administration for the collection of outstanding balance. The Courts Administration claims that it incurred approximately $5 million in maintenance expenses that are the responsibility of the Authority and that the Authority continues to refinance its debt resulting in increases in rental charges without the previous consent of the Courts Administration. Management continues to negotiate with the Courts Administration the settlement of the amount outstanding.

Although the balance of rent receivable at June 30, 2014 and 2013 includes invoices that are overdue, and management has recorded an estimated allowance for bad debt during 2014 and 2013 as explained above, Law No. 97, Article 15, of May 15, 2006, establishes that any rent to be paid to the Authority during any fiscal year by any department, agency or public corporation of the Commonwealth under the conditions of a rental contract in accordance of the dispositions of Law No. 56 of June 19, 1958, as

amended, the Commonwealth will advance to the Authority the amount not paid. This Law requires to the Secretary of the Treasury Department to make an advance of any available funds committed by the full faith and credit of the Commonwealth. In case of the rent to be paid to the Authority by any municipality, this law requires to the Municipal Revenue Collection Center to make payments to the Authority from any property tax collection.

During the years ended June 30, 2014 and 2013, the Authority received payments from the Department of Treasury in excess of the amounts owned by the Commonwealth agencies and instrumentalities in the amount of $9.6 million and $41.3 million respectively. This amount is included as rent collected in advance in the accompanying statement of net position.

6. OTHER RECEIVABLES

Other receivables consist of billings for miscellaneous services performed by the Authority. The amount is presented in the accompanying statement of net position net of an allowance for doubtful accounts of $19.5 million and $18.8 million at June 30, 2014 and 2013, respectively.

7. RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents at June 30, 2014 and 2013 consist of:

	2014	2013
Interest bearing cash accounts	$ 17,632,943	$ 50,526,586
Mutual funds	324,165,783	227,788,281
Guaranteed investment contract	-	189,927,401
U.S. Treasury notes	-	15,146,226
Total cash and cash equivalents	$ 341,798,726	$ 483,388,494

These amounts are presented in the statement of net position as follows:

	2014	2013
Bond sinking funds	$ 187,554,376	$ 195,958,953
Cash to be deposited in bond sinking fund	4,731,461	16,736,636
Construction funds	148,079,477	266,688,188
Funds for contruction of facilities for other governmental agencies	1,463,412	3,699,097
School renovation funds	-	305,136
Other	-	484
Total cash and cash equivalents	$ 341,828,726	$ 483,388,494

a. ***Bond Sinking Funds*** **-** Bond sinking funds consist of monies deposited under Resolution No. 468 and consist of two (2) separate accounts designated as a "Bond Service Account" and a "Redemption Account". Revenues received from debt service rentals with respect to the facilities financed under Bond Resolution No. 468 are deposited with its respective Fiscal Agent for the credit of such accounts in the following order:

(1) To the Bond Service Account, in such amount as may be required to make the amount equal to the amount of interest then due and payable and the interest, which will become due and payable within the next ensuing six months on all bonds of each series then outstanding and the principal of all serial bonds, if any, which will become payable within the next ensuing twelve months; and

(2) To the Redemption Account, in such amount as may be required to make the amounts so deposited in the current fiscal year equal to the amortization requirement, if any, for such fiscal year for the term bonds of each series then outstanding, plus the premium, if any, which would be payable on a like principal amount of bonds if such principal amount of bonds should be redeemed on the next redemption date from monies in their Bond Sinking Fund.

Bond Resolution No. 468 requires that monies be invested and reinvested in government obligations, bankers' acceptances, certificates or time deposits of any Commonwealth's approval bank or national banking association; repurchase or reverse repurchase agreements or any other investment, which are rated in one of the three highest rating categories.

b. ***Cash to be Deposited in Bond Sinking Funds*** **-** These funds represent the funds deposited to be transferred to the bond sinking fund accounts with the fiscal agents.

c. ***Construction Funds*** **-** These are used for the payment of all or any part of the remaining cost of the Initial Facilities, as defined, or for payment of all or any part of the cost to the Authority of any Additional Facilities or Improvements, as defined, in accordance with the Bond Resolutions. At June 30, 2014 and 2013, most of the funds deposited in the construction fund are restricted for the financing of the 21st School Program, as explained below, under School Renovation Funds.

d. ***Funds for the Construction of Facilities for Other Governmental Agencies*** **-** These represent the balance of the funds received less the amounts invested in the construction of said facilities. The properties constructed through this arrangement belong to the individual agencies and not to the Authority. Upon completion of each project, the Authority settles with the agency either by returning remaining funds or billing for the excess costs over the funds received.

e. ***School Renovation Funds*** **-** These represent the balance received under federal financial assistance programs, as a subrecipient of the Commonwealth of Puerto Rico Department of Education. These funds are restricted to be used for projects related to school renovation and are subject to compliance requirements applicable to this federal program.

8. DEPOSITS

The Authority is restricted by law to deposit funds only in institutions approved by the Puerto Rico Treasury Department, and such deposits are required to be kept in separate accounts in the name of the Authority.

The Authority is authorized to invest in Puerto Rico and U.S. government obligations or in obligations guaranteed by the Puerto Rico or U.S. governments or its agencies or instrumentalities. The Authority invests in certificates of deposit with financial institutions rated AA or AAA by Moody's Investor Services. Pursuant to the Investment Guidelines for the Commonwealth, adopted by GDB, the Authority may invest in obligations of the Commonwealth, obligations of the United States, certificates of deposit, commercial paper, bankers' acceptances, or in pools of obligations of the municipalities of Puerto Rico, among others. Monies in the sinking funds can only be invested in direct obligations of the United States government, and/or interest-bearing time deposits, or other similar arrangements, as provided by the Bond Resolutions.

Custodial Credit Risk – Deposits - For deposits, custodial credit risk is the risk that in the event of bank failure, the Authority's deposits may not be returned to it. Under Puerto Rico statutes, public funds deposited in commercial bank's must be fully collateralized for the amount deposited in excess of federal depository insurance. All securities pledged as collateral are held by the Secretary of the Treasury of the Commonwealth. The bank balance of the Authority's deposit at June 30, 2014 and 2013 amounts to $1.8 million and $13.8 million, respectively. In addition, the Authority maintains certificates of deposit with commercial banks, which are also collateralized as explained above in the amount of $133.3 million and $130.1 million at June 30, 2014 and 2013, respectively.

As of June 30, 2014, the Authority's custodial credit risk was approximately $112 million, which, is the cash balance of cash deposited at the GDB. These deposits are exempt from the collateral requirement established by the Commonwealth, these are uninsured and uncollateralized.

9. NOTE RECEIVALE FROM OTHER GOVERNMENAL AGENCY

The Authority entered into a note receivable agreement with the Institute of Technology in Ponce Puerto Rico for the payment of construction cost aggregating approximately $7.7 million. This amount will be collected in varying principal installments plus interest at 2.81% through fiscal year 2021. Future estimated principal and interest collections during future years are as follows:

Year Ending June 30,	Principal	Interest
2015	$ 486,797	$ 94,349
2016	500,653	80,493
2017	514,904	66,242
2018	529,561	51,585
2019	544,635	36,511
2020 to 2021	3,776,986	1,030,810
Total	$ 6,353,536	$ 1,359,990

10. TRANSACTIONS WITH COMMONWEALTH OF PUERTO RICO

a. ***Due from Commonwealth of Puerto Rico*** - This represents the approximate costs of certain construction projects that have been either suspended or cancelled unilaterally by the Commonwealth during planning stages and, therefore, the funds must be returned and deposited in the corresponding bond sinking, construction, or reserve accounts, as deemed appropriate by the bond indentures.

The OMB recognized that, subject to certain audit requirements by the OMB, this account shall be recognized as a liability by the Commonwealth. Accordingly, the Authority has recognized this amount as amount due from the Commonwealth as, in the opinion of the Authority's management, these costs will be recovered from future appropriations from the Commonwealth. Nevertheless, OMB has not appropriated any funds to reimburse the Authority and, since the timing of the collection cannot be readily determined, this amount is presented as a non-current asset.

In addition, during the year ended June 30, 2014, the Authority advanced approximately $10.1 million to the Commonwealth to finance certain repairs and improvements of certain schools that are the property of the Commonwealth. The monies for this advance were obtained from the proceeds of bonds issued in prior years and deposited in the construction fund. The advances will be collected through monthly billings to the Commonwealth equal to the estimated debt service over the life of the related bonds.

b. ***Rental Revenue and Receivable -*** All rental revenue are from charges to Commonwealth related entities and related rental receivables that are due by such entities.

c. ***Contributions -*** The Commonwealth from time to time makes operating and capital contributions to the Authority. Operating grants are to finance operating expenses and capital grants are restricted to finance investment in capital assets.

d. ***Advances from governmental Agencies for Construction of Agencies' Projects -*** At June 30, 2014 and 2013 amounted to approximately $183,234 and $3 million, respectively. These amounts represent unspent funds received from several agencies and municipalities for the construction of projects.

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11. CAPITAL ASSETS

Capital assets activity for the years ended June 30, 2014 and 2013 was as follows:

	Year Ended June 30, 2014			
	Balance June 30, 2013	Additions	Deductions or Transfers	Balance June 30, 2014
Capital assets not being depreciated:				
Land	$ 129,494,314	$ 30,147	$ -	$ 129,524,461
Construction in progress	350,244,678	74,780,586	(288,649,087)	136,376,177
Total capital assets not being depreciated	479,738,992	74,810,733	(288,649,087)	265,900,638
Capital assets being depreciated:				
Buildings	4,241,049,669	-	279,219,082	4,520,268,751
Equipment and vehicles	15,160,714	1,316,112	(1,078,948)	15,397,878
Total	4,256,210,383	1,316,112	278,140,134	4,535,666,629
Less accumulated depreciation:				
Buildings	(1,107,876,013)	(86,549,385)	520,869	(1,193,904,529)
Equipment and vehicles	(12,139,474)	(757,727)	588,621	(12,308,580)
Total	(1,120,015,487)	(87,307,112)	1,109,490	(1,206,213,109)
Capital assets being depreciated, net	3,136,194,896	(85,991,000)	279,249,624	3,329,453,520
Capital assets, net	$ 3,615,933,888	$ (11,180,267)	$ (9,399,463)	$ 3,595,354,158

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	Year Ended June 30, 2013			
	Balance June 30, 2012, as restated	Additions	Deductions or Transfers	Balance June 30, 2013
Capital assets not being depreciated:				
Land	$ 130,473,114	$ -	$ (978,800)	$ 129,494,314
Construction in progress	694,689,221	299,505,299	(643,949,842)	350,244,678
Total capital assets not being depreciated	825,162,335	299,505,299	(644,928,642)	479,738,992
Capital assets being depreciated:				
Buildings	3,598,818,782	642,692,722	(461,835)	4,241,049,669
Equipment and vehicles	17,077,098	692,574	(2,608,958)	15,160,714
Total	3,615,895,880	643,385,296	(3,070,793)	4,256,210,383
Less accumulated depreciation:				
Buildings	(1,029,320,757)	(78,935,544)	380,288	(1,107,876,013)
Equipment and vehicles	(12,153,565)	(759,921)	774,012	(12,139,474)
Total	(1,041,474,322)	(79,695,465)	1,154,300	(1,120,015,487)
Capital assets being depreciated, net	2,574,421,558	563,689,831	(1,916,493)	3,136,194,896
Capital assets, net	$ 3,399,583,893	$ 863,195,130	$ (646,845,135)	$ 3,615,933,888

a. ***Capitalized Interest and General Construction Expenses*** **-** The Authority capitalized to construction in progress during the years ended June 30, 2014 and 2013 interest for approximately $10 million and $10.8 million respectively. In addition, the Authority capitalized construction general expenses for approximately $2.7 million and $9 million during the years ended June 30, 2014 and 2013, respectively.

b. ***21st Century Schools Program*** **-** Construction in process at June 30, 2014 and 2013 includes $97.2 million and $222.5 million, respectively, related to 21st Century Schools Program (the School Program). The program consists of remodeling of over 100 schools throughout Puerto Rico. To finance the program, the Authority issued government facilities revenue bonds in the amount of $878 million during the fiscal year ended June 30, 2012 of which $148 million are deposited in construction funds at June 30, 2014.

The Authority contracted the services of Puerto Rico Infrastructure Financing Authority (AFI, for its acronym in Spanish), a component unit of the Commonwealth, to serve as construction manager. Under the contract, AFI is responsible for the management of the program including among others, contracting general contractors and or subcontractors, inspection, supervision and acceptance of the remodeled schools and in certain cases provides maintenance to the schools. AFI bills the Authority the cost of the program plus an agreed administrative fee. Certain of the schools under the program are property of the Department of Transportation and Public Works (DTOP), an agency of the Commonwealth. The Authority leases such schools from DTOP for a minimum rent of $10 per year. When the improvements of such schools are completed, the Authority will bill rent to the Department of Education of the Commonwealth for the payment of the debt service of the bonds issued under the program.

12. PROPERTY HELD FOR SALE

The Authority identified certain properties for sale, as part of its efforts to increase liquidity. The cost of the properties identified was reclassified from capital assets as property held for sale and is recorded at cost or net book value, which approximates its fair value. No costs of disposal have been estimated as these properties consist of real estate and the Authority believes that the net realizable amount will exceed the current book value of the property held for sale.

13. LAND AND BUILDING UNDER CONSTRUCTION FOR OTHER GOVERNMENTAL AGENCIES

Activity in land and building under construction for other governmental agencies for the years ended June 30, 2014 and 2013 is as follows:

	Year Ended June 30, 2014			
	Balance at Beginning	Increases	Decreases	Balance at End of Year
Construction in progress	$ 4,269,632	$ -	$ (4,269,632)	$ -

	Year Ended June 30, 2013			
	Balance at Beginning	Increases	Decreases	Balance at End of Year
Construction in progress	$ 1,538,817	$ 2,730,815	$ -	$ 4,269,632

14. INTERGOVERNMENTAL PAYABLES

Intergovernmental payables at June 30, 2014 and 2013 consist of the following:

	2014	2013
Amount payable from restricted assets:		
Puerto Rico Infrastructure Financing Authority	$ 22,373,915	$ 63,284,500
Amount payable from unrestricted assets:		
Puerto Rico Electric Power Authority	1,774,335	1,662,283
Puerto Rico Aqueduct and Sewer Authority	643,039	-
Employees' Retirement System	940,830	855,857
General Services Administration	307,104	-
Commonwealth of Puerto Rico	1,702,855	1,738,410
Other	106,902	332,173
Total intergovernmental payable	$ 27,848,980	$ 67,873,223

15. BORROWINGS UNDER LINES OF CREDIT

The activity under the line of credit agreements during the years ended June 30, 2014 and 2013 is as follows:

	Year Ended June 30, 2014				
	Balance June 30, 2013	Proceeds from Borrowings	Payments/ Decreases	Balance June 30, 2014	Current Portion
Lines of credit used for:					
Operational activities	$ 241,975,457	$ -	$ (177,256,641)	$ 64,718,816	$ -
Construction activities	94,168,731	16,565,544	-	110,734,275	-
Total	$ 336,144,188	$ 16,565,544	$ (177,256,641)	$ 175,453,091	$ -

	Year Ended June 30, 2013				
	Balance June 30, 2012	Proceeds from Borrowings	Payments/ Decreases	Balance June 30, 2013	Current Portion
Lines of credit used for:					
Operational activities	$ 72,077,089	$ 174,798,158	$ (4,899,790)	$ 241,975,457	$ 174,798,158
Construction activities	65,277,251	28,891,480	-	94,168,731	94,168,731
Total	$ 137,354,340	$ 203,689,638	$ (4,899,790)	$ 336,144,188	$ 268,966,889

During 2008, the Authority executed two lines of credit agreements with GDB for the interim financing of its Capital Improvement Program in an amount not to exceed $226 million, bearing interest at a variable rate of 1.50% over prime rate or at such other variable lines as determined by GDB but not less than 6% at any time (6% at June 30, 2014 and 2013). The lines are due on June 30, 2044 and will be payable from the proceeds of the future Revenue Refunding Bonds issuance of the Authority. Balance outstanding under these lines of credit amounted to approximately $62.5 million and $52.9 million at June 30, 2014 and 2013, respectively.

The Authority maintains a line of credit with GDB in which the Authority may borrow up to $75 million, bearing interest at 150 basis points over three month LIBOR but not less than 5% at any time (7% at June 30, 2014 and 2013). The proceeds from this line were used to finance the Authority's operational expenses during the fiscal year 2005-2006. Payments of principal and interest will be from annual appropriations from the Commonwealth of Puerto Rico's general budget pursuant to the provisions of the Resolution No. 387 of December 21, 2005. The line is due on June 30, 2018. During the fiscal year ended June 30, 2013, payments of principal and interest due of $834,614, and $4,985,651, were made by the Puerto Rico Sales Tax Financing Corporation, an affiliate of GDB. During the fiscal year ended June 30, 2014, $2.4 million were received from GDB for payments of this line of credit. Balance outstanding under this line of credit amounted to approximately $64.7 and $67.1 million at June 30, 2014 and 2013, respectively.

During 2010, the Authority executed lines of credit agreements with GDB for the interim financing of its Capital Improvement Program in an amount not to exceed $93.6 million, bearing interest at a variable rate of 1.50% over prime rate or at such other variable rate as determined by GDB but not less than 6% at any time (6% at June 30, 2014 and 2013). The lines are due on June 30, 2044 and will be payable from the proceeds of the future Revenue Refunding Bonds issuance of the Authority. Balance outstanding under these lines of credit amounted to approximately $48.2 million and $41.3 million at June 30, 2014 and 2013, respectively.

During July 2012, the Authority executed two lines of credit agreements with GDB in which the Authority may borrow up to $174.7 million. Borrowings under these agreements are to be used to provide financing for all or a portion of the interest and principal component of certain of its outstanding revenue and revenue refunding bonds coming after 12 months after the date of the line first draw. The agreements were due in December 2013. Interest on outstanding borrowings is charged at the cost of GDB Lender cost plus 150 basis points, but in any event the rate will not be less than 6% at any time (6% at June 30, 2014 and 2013). These lines were approved in accordance with Resolution 1684 adopted July 2012. Principal outstanding will be paid from the proceeds of revenue bonds to be issued by the Authority under Section 209 of Resolution 468, Resolution 158 and Resolution 77. During the year ended June 30, 2014 the balance outstanding and related accrued interest was paid by the Commonwealth of Puerto Rico. At June 30, 2013, the balance under these lines amounted to approximately $174.7 million.

Total interest expense charged by GDB under the above lines of credit agreements amounts to approximately $18.5 million and $14.7 million during the years ended June 30, 2014 and 2013, respectively.

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16. BONDS PAYABLE

Bonds payable at June 30, 2014 and 2013 consist of:

	2014	2013
Office Buildings Bonds:		
Term bonds maturing through 2021 with interest rates ranging from 5.50% to 6%	$ 37,315,000	$ 37,315,000
Government Facilities Revenue Bonds:		
Serial bonds maturing through 2027, with interest rates ranging from 3% to 6.75%	1,808,687,000	1,874,587,000
Term bonds maturing through 2039, with interest rates ranging from 3% to 5.75%	2,384,595,000	2,391,290,000
Total government facilities revenue bonds	4,193,282,000	4,265,877,000
Total bonds outstanding	4,230,597,000	4,303,192,000
Add (Deduct):		
Bond discount	(27,949,784)	(29,518,993)
Bond premiums	43,496,799	48,152,718
Bonds payable, net	4,246,144,015	4,321,825,725
Less current portion	76,760,000	72,595,000
Bonds payable, non-current portion	$ 4,169,384,015	$ 4,249,230,725

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Aggregate maturities of sinking funds' amortization requirements on bonds, (excluding discounts and premiums), accreted value on bonds and related interest payments in future years are as follows:

Year Ending June 30,	Principal	Interest
2015	$ 76,760,000	$ 194,489,947
2016	82,000,000	190,244,253
2017	86,125,000	185,684,672
2018	90,905,000	179,678,009
2019	66,235,000	205,774,239
2020 to 2024	446,665,000	981,059,884
2025 to 2029	1,255,044,000	1,184,877,214
2030 to 2034	750,353,000	527,902,911
2035 to 2039	756,775,000	269,189,622
2040 to 2043	619,735,000	65,733,806
Totals	$ 4,230,597,000	$ 3,984,634,557

The bonds are secured by a pledge of the rentals of government facilities financed or refinanced by such bonds and leased by the Authority to departments, agencies and instrumentalities of the Commonwealth.

The full faith and credit of the Commonwealth is pledged for the payment or advance of such rentals. The payment of principal and interest on the bonds is further secured by the guaranty of the Commonwealth under which the Commonwealth pledges to draw from any funds available in the Department of Treasury of Puerto Rico such sums as may be necessary to cover any deficiency in the amount required for the payment of principal and interest on the bonds, in an aggregate principal amount not exceeding $4,271 million.

The Authority's bonds payable are subject to the arbitrage rebate regulations issued by the Internal Revenue Service of the United States of America that require rebate to the federal government of excess investment earnings on tax-exempt debt proceeds if the yield on those earnings exceeds the effective yield on the related tax-exempt debt issued. Excess earnings must be rebated every five years or upon maturity of the debt, whichever is earlier. Arbitrage calculations resulted in no liability as of June 30, 2014.

The Authority's bonds payable include certain restrictive covenants. At June 30, 2014 and 2013, the Authority was in compliance with such covenants.

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The activity of bonds payable during the years ended June 30, 2014 and 2013 are as follows:

Year Ended June 30, 2014	Balance June 30, 2013	Increases	Payments/ Decreases	Balance June 30, 2014	Current Portion
Office Building Bonds					
Term bonds	$ 37,315,000	$ -	$ -	$ 37,315,000	$ -
Government Facilities					
Revenue Bonds	-	-	-	-	-
Serial bonds	1,874,587,000	-	(65,900,000)	1,808,687,000	69,720,000
Term bonds	2,391,290,000	-	(6,695,000)	2,384,595,000	7,040,000
Total	4,265,877,000	-	(72,595,000)	4,193,282,000	76,760,000
Total bonds outstanding	4,303,192,000	-	(72,595,000)	4,230,597,000	76,760,000
Add (deduct):					
Bond discounts	(29,518,992)	-	1,569,208	(27,949,784)	-
Bond premiums	48,152,717	-	(4,655,918)	43,496,799	-
Bonds payable, net	$ 4,321,825,725	$ -	$ (75,681,710)	$ 4,246,144,015	$ 76,760,000

Year Ended June 30, 2013	Balance June 30, 2012	Increases	Payments/ Decreases	Balance June 30, 2013	Current Portion
Office Building Bonds	$ 37,315,000	$ -	$ -	$ 37,315,000	$ -
Term bonds					
Government Facilities					
Revenue Bonds	-	-	-	-	-
Serial bonds	1,925,392,000	-	(50,805,000)	1,874,587,000	65,900,000
Term bonds	2,429,305,000	-	(38,015,000)	2,391,290,000	6,695,000
Total	4,354,697,000	-	(88,820,000)	4,265,877,000	72,595,000
Total bonds outstanding	4,392,012,000	-	(88,820,000)	4,303,192,000	72,595,000
Add (deduct):					
Bond discounts	(30,870,194)	-	1,351,202	(29,518,992)	-
Bond premiums	55,374,003	-	(7,221,286)	48,152,717	-
Bonds payable, net	$ 4,416,515,809	$ -	$ (94,690,084)	$ 4,321,825,725	$ 72,595,000

In prior years, the Authority defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old debts. Accordingly, the trust's account assets and liabilities for the defeased bonds are not included in the statements of net position. As of June 30, 2014, approximately $608.3 million of bonds outstanding are considered defeased.

17. OTHER LONG-TERM LIABILITIES

Other long-term liabilities at June 30, 2014 and 2013 consist of:

	Year Ended June 30, 2014				
	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014	Current Portion
Advances from governmental agencies	$ 3,024,596	$ -	$ (2,841,362)	$ 183,234	$ -
Compensated absences	11,638,116	8,191,195	(8,807,733)	11,021,578	8,191,195
Accrued legal contingencies	20,810,593	-	(617,718)	20,192,875	-
Other post-employment benefits	10,486,139	2,697,165	(800,341)	12,382,963	898,324
Voluntary termination benefits	10,848,845	330,402	(2,354,989)	8,824,258	2,135,328
Total	$ 56,808,289	$ 11,218,762	$ (15,422,143)	$ 52,604,908	$ 11,224,847

	Year Ended June 30, 2013				
	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013	Current Portion
Advances from governmental agencies	$ 3,024,596	$ -	$ -	$ 3,024,596	$ -
Compensated absences	11,530,563	2,541,218	(2,433,665)	11,638,116	7,219,228
Accrued legal contingencies	16,544,127	12,120,161	(7,853,695)	20,810,593	-
Other post-employment benefits	8,114,876	3,190,865	(819,602)	10,486,139	800,341
Voluntary termination benefits	12,781,901	347,652	(2,280,708)	10,848,845	2,354,425
Total	$ 51,996,063	$ 18,199,896	$ (13,387,670)	$ 56,808,289	$ 10,373,994

a. ***Advances from Other Governmental Entities -*** This amount represents the balance of the amounts advanced by other governmental entities, mainly for the construction of facilities that will be owned by these entities. These projects include appropriations from the Commonwealth to finance the construction of facilities by these agencies, which in turn request the Authority to carry out the construction and the administration of the construction progress. Upon acceptable completion, the project is completed and is taken over by the corresponding agency. The assets are not owned by the Authority.

b. ***Compensated Absences -*** Employees earn annual vacation leave at the rate of 30 days per year up to a maximum permissible accumulation of 30 days for union employees and 60 days for management personnel. Employees accumulate sick leave at the rate of 18 days per year. Sick leave is only payable if the regular employee resigns and has more than 10 years of employment, or retires and takes a pension. Maximum permissible accumulation for sick leave is 90 days for all employees, and the excess is paid within the next year. The Authority records as a liability and as an expense the vested accumulated vacation and sick leave as benefits accrue to employees. The cost of vacation and sick leave expected to be paid in the next twelve months is classified as current and accrued liabilities while amounts expected to be paid after twelve months are classified as non-current liabilities.

c. ***Accrued Legal Contingencies*** **-** This amount represents the Authority's estimates of possible legal and contractual settlements arising from normal litigation procedures. The estimated amount was based on the corresponding number of legal cases currently underway and based upon the advice and consent of the Authority's legal division and its external legal advisors. Actual amount to be settled may be materially different from the amount accrued.

d. ***Other Post-Employment Benefits*** **-** This amount represents the Authority's liability for its retirement healthcare benefits under the Healthcare Benefit Plan to Retirees as further described in Note 20.

e. ***Voluntary Termination Benefits*** **-** This amount represents the Authority's liability related to a program that provides benefits for early retirement or economic incentives for voluntary employment termination to certain eligible employees as further explained in Note 21.

18. DUE TO CONTRACTORS

This amount represents the remaining balance due to contractors for projects under construction. Normally, the contractors submit progress billings for projects in progress and the Authority pays these invoices, except for the retainage portion. This withholding is used as a guarantee that the contractor will complete the project in accordance with contract requirements. Normally the retainage will be paid upon completion and acceptance of the projects, as determined by the Authority's engineers.

19. RETIREMENT PLAN

Employees of the Authority participate in the Employees' Retirement System of the Commonwealth of Puerto Rico and its Instrumentalities (the System). The System is a defined benefit, cost-sharing, multi-employer plan sponsored by the Commonwealth under the terms of Act No. 447 of 1951, as amended. Participation is mandatory for regular employees. The System issues a publicly available financial report that includes its financial statements and required supplementary information.

Disability retirement benefits are available to members for occupational and non-occupational disabilities. Retirement benefits depend upon age at retirement and number of years of credited services. Benefits vest after ten years of plan participation. Members who have attained at least 55 years of age and have completed at least 30 years of creditable service or members who have attained at least 58 years of age and have completed at least 10 years of creditable service are entitled to an annual benefit, payable monthly for life.

The amount of the annuity shall be 1.5% of the average compensation multiplied by the number-of-years of creditable service up to twenty years, plus 2% of the average compensation multiplied by the number of years of creditable service in excess of 20 years. In no case will the annuity be less than $200 per month. For those participant employees after March 31, 1990, the amount of the annuity is 1.5% of the compensation multiplied by the number of years for credited services. The annuity should not be less than $2,400 in any case.

Participants who have completed at least 30 years of creditable service are entitled to receive the Merit Annuity. Participants who have not attained 55 years of age will receive up to a maximum of 65% of the average compensation or if they have attained 55 years of age will receive up to a maximum of 75% of the average compensation. Disability retirement benefits are available to members for occupational

and non-occupational disability up to a maximum benefit of 50% of the average compensation. However, for non-occupational disability, a member must have at least 10 years of creditable service.

Act No. 1 of 1990 made certain amendments applicable to new participants joining the System effective April 1, 1990. These changes consist principally of the establishment of contributions at 8.275% of their monthly gross salary, an increase in the retirement age to 65, a decrease in the annuity benefit to 1.5% of the average compensation for all years of creditable service, a decrease in the maximum disability, and death benefits annuities from 50% to 40% of average compensation, and the elimination of the Merit Annuity for participants who have completed 30 years of creditable service.

The contribution requirements for both employees and employers are established by law and are not actuarially determined. Employees are required to contribute 5.775% or 8.275% of their monthly gross salary. Commencing on July 1, 2012, the Authority is required to contribute 11.275%, with annual increases of 1% to contributions from July 1, 2012 to June 30, 2016. Effective July 1, 2016, the Authority's contribution will increase by 1.25% annually until reaching 20.525%.

On September 24, 1999, an amendment to Act No. 447 of May 15, 1951, which created the System, was enacted with the purpose of establishing a new pension program (System 2000). System 2000 became effective on January 1, 2000. Employees participating in the current system as of December 31, 1999 may elect either to stay in the defined benefit plan or transfer to the new program. Persons joining the government on or after January 1, 2000 will only be allowed to become members of System 2000.

System 2000 is a hybrid-defined contribution plan, also known as a cash balance plan. Under this new plan, there will be a pool of pension assets, which will be invested by the System, together with those of the current defined benefit plan. Benefits at retirement age will not be guaranteed by the Commonwealth. The annuity will be based on a formula which assumes that each year the employee's contribution (with a minimum of 8.275% of the employee's salary up to a maximum of 10%) will be invested in an account which will either: (1) earn a fixed rate based on the two-year Constant Maturity Treasury Note, or (2) earn a rate equal to 75% of the return of the System's investment portfolio (net of management fees), or (3) earn a combination of both alternatives.

Participants receive periodic account statements similar to those of defined contribution plans showing their accrued balances. Disability pensions are not being granted under System 2000. The employees' contributions (9.275% of the employees' salary) will be used to fund the current plan.
System 2000 reduces the retirement age from 65 years to 60 years for those employees who joined the current plan on or after April 1, 1990.

On April 4, 2013, the Governor of Puerto Rico signed into law Act No. 3 of 2013, which represents a comprehensive reform of the System. Act No. 3 became effective on July 1, 2013 and amended the provisions of the different benefit structures under the System, including, but not limited to, the following:

1. For active participants of the contributory defined benefit programs under Act No. 447 of 1951 and Act No. 1 of 1990, all retirement benefits accrued through June 30, 2013 were frozen, and thereafter, all future benefits will accrue under the defined contribution formula used for System 2000 participants, and will be paid at retirement through a lifetime annuity.

2. Increased the minimum pension for current retirees from $400 to $500 per month.

3. The retirement age for Act No. 447 participants will be gradually increased from age 58 to age 61.

4. The retirement age for active System 2000 participants will be gradually increased from age 60 to age 65.

5. Transitioning active participants under Act No. 1 and Act No. 447 to a defined contribution plan similar to System 2000.

6. Eliminated the "merit annuity" available to participants who joined the System prior to April 1, 1990.

7. The retirement age for new employees was increased to age 67, except for new state and municipal police officers, firefighters, and custody officers, which will be age 58.

8. The employee contribution rate was increased from 8.275% to 10%.

9. For System 2000 participants, the retirement benefits will no longer be paid as a lump sum distribution, instead, they will be paid through a lifetime annuity.

10. Eliminated or reduced various retirement benefits previously granted by special laws, including Christmas and summer bonuses. The Christmas bonus payable to current retirees was reduced from $600 to $200 and was eliminated for future retirees. The summer bonus was eliminated.

11. Disability benefits were eliminated and substituted for a mandatory disability insurance policy.

12. Survivor benefits were modified.

Funding Policy

Contribution requirements are established by law and are as follows:

The Authority:	12.275% of gross salary with annual increases of 1% to contributions from July 1, 2012 to June 30, 2016
	Commencing on July 1, 2016, contribution increase by 1.25% annually until reaching 20.525%
Employees:	7.0% of gross salary up to $6,600 plus 10% of gross salary over $6,600

The Authority's contractually required contributions for the year ended June 30, 2014, amounted to approximately $1.7 million. The percentage of the Authority's required contributions were equal to the ones actually made to the System for the years ended June 30, 2013 and 2012.

The amount of the total pension benefits obligation is based on a standardized measurement established by accounting principles generally accepted in the United States of America that, with some exceptions, must be used by a public employee retirement system. The standardized measurement is the actuarial

present value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effects of projected salary increases.

The most recent actuarial valuation is as of June 30, 2013. The significant actuarial assumptions used to determine the standardized measure of the pension benefits obligation are summarized below:

• Investments rate of return	6.4% a year
• Payroll growth	3.0% per year
• Defined Cont. Hybrid Account	Member contributions to the Defined Contribution Account are assumed to be 10% of the compensation. Defined Contribution Hybrid are assumed to grow using the 5.12% annual investment Return (80% of the net investment return assumption).
• Pre- retirement mortality	RP-2000 Employee Mortality Rates
• Post-retirement disabled mortality	Gender specific mortality rates developed Based on a study of plan's experience from 2007 to 2012.
• Post-retirement healthy mortality	Gender-specific mortality rates developed based on a study of plan's experience from 2003 to 2007.
• Termination	Withdrawals rates vary by Employment category, age and service.
• Disability	Six month elimination period rates in The 1987 Adjusted Commissioners Group Disability Table.
• Retirement age	Rates varies by employment category Act, age and years of creditable service.
• Proportion of participants with spouses	70% of current active members are assumed to be married at retirement with males 4 years older than females.

Additional information on the System is provided in its financial statements for the year ended June 30, 2014, a copy of which can be obtained from the Employees' Retirement System of the Commonwealth of Puerto Rico and its Instrumentalities, P.O. Box 42003, San Juan, PR 00940-2003.

20. OTHER POST-EMPLOYMENT BENEFITS

The Authority has implemented GASB Statement No. 45, *"Accounting and Financial Reporting for Employers for Postemployment Benefits Other Than Pensions"* (GASB 45). This Statement establishes the standards for the measurement, recognition, and display of Other Postemployment Benefits (OPEB) expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state, and local governmental employers.

Post-employment benefits are part of an exchange of salaries and benefits for employee services rendered. Most OPEB have been funded on a pay-as-you-go basis and have been reported in financial statements when the promised benefits are paid. GASB 45 requires state and local government's financial reports to reflect systematic, accrual-basis measurement and recognition of OPEB cost (expense) over a period that approximates employees' years of service and provides information about actuarial accrued liabilities associated with the OPEB and whether and to what extent progress is being made in funding the plan.

a. ***Plan Description*** - The Authority provides retirement healthcare benefits under the Healthcare Benefit Plan to Retirees (the Plan) pursuant to collective bargain agreements. The Plan is administered by the Authority. Benefits consist of a maximum monthly payment (annuity) to cover medical expenses. Based on the Plan's features and functionality, and for the purpose of the actuarial valuation, it has been identified as a single -employer defined benefit healthcare plan. Participants groups covered are employees under Collective Labor Agreement with "Unión Independiente de Empleados de la Autoridad de Edificios Públicos" (UIEAEP), employees under Collective Labor Agreement with "Unión de Empleados de Oficina y Profesionales de la Autoridad de Edificios Públicos" (UEOP) and the Authority's management employees. All employees with at least 10 years of rendered service within the Authority are eligible for the healthcare benefit upon retirement age. Normal retirement is as follows:

- For employees that were employed by the Authority at March 30, 1990 the retirement is at 30 years of service.
- For employees that were employed by the Authority after March 30, 1990 the retirement is at 10 years of service and 65 years old.

The benefit is paid in case of permanent disability of the retiree until death. Also, the benefit is paid in case an active employee gets disable until death. The obligation ends in case of death after retirement.

b. ***Description of The Other Post-Employment Benefits Provided*** - In addition to providing the pension benefits, the Authority provides a defined dollar contribution to partially cover medical insurance cost to eligible retired employees. The Authority's contribution is limited to $200 monthly per eligible retired employees up to a period of thirty-six months (twelve months for managerial employees). This benefit is included in the Collective Bargain Agreements and will be re-evaluated when the Collective Bargain Agreements are up for renewal. Under this level of benefits provided, the risk of medical cost increases resides with the retiree and, therefore, results in a lower OPEB liability for the Authority.

c. ***Membership*** - As of June 30, 2014 and 2013, the number of active employees and retirees amounted to 1,468 and 1,550, respectively.

d. ***Funding Policy*** - The obligations of the plan members, employer are established by action of the Authority pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. The Authority currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by the Authority.

e. ***Annual OPEB cost and net OPEB obligation*** - The Authority's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Authority has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement 45 for employers in the Plan with more than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Authority's annual OPEB cost for the years ended June 30, 2014 and 2013, the amount actually contributed to the plan and the Authority's net OPEB obligation at June 30, 2014 and 2013:

OPEB Obligation

	2014	2013
Normal cost	$ 1,262,501	$ 1,262,501
Amortization of unfunded actuarial accrued liability	2,176,650	2,176,650
Annual required contribution	$ 3,439,151	$ 3,439,151
OPEB contributions made during the year	$ 898,324	$ 800,341
Percentage of expense contributed	26.1%	23.3%

The net OPEB obligation change for the years ended June 30, 2014 and 2013 is as follows:

	2014	2013
Net OPEB obligation at beginning of year	$ 10,486,139	$ 8,114,876
Total annual OPEB costs	2,697,165	3,190,865
Actuarial benefits payments	(800,341)	(819,602)
Net OPEB obligation at end of year	$ 12,382,963	$ 10,486,139

Components of OPEB costs during the years ended June 30, 2014 and 2013 are as follows:

	2014	2013
Annual required contribution (ARC) for the fiscal year	$ 3,439,151	$ 3,629,241
Interest o net OPEB obligation	367,015	243,446
ARC amortization adjustment	(1,109,001)	(681,822)
Total annual OPEB costs	$ 2,697,165	$ 3,190,865

As of June 30, 2014 and 2013, the actuarial accrued liability for benefits amounted to $22.7 million and $20.6 million, respectively, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was approximately $58 million and $51 million

during the years ended June 30, 2014 and 2013, respectively, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 38.4 % and 40.2%, respectively.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare costs trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continuous revisions as actual results are compared with past expectations and new estimates are made about the future.

f. ***Methods and Assumptions*** - Projections of benefits for financial reporting purposes are based on the plan and include the types of benefits provided at the time of valuation and the historical pattern of benefit costs paid by the employer to date. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The amortization method of the initial unfunded actuarial accrued liability is the level dollar for a period of 30 years-closed. The amortization method for the gain or loss is the level dollar for a period of 15 years-closed. The valuation date was July 1, 2014 and the Projected Unit Credit Cost Method was used. The actuarial assumptions were based on a set of assumptions supplied by the Authority. Turnover rates were based on service and age-related turnover. A discount rate of 3.5 % was used. This rate is the best actuarial estimate of expected long-term experience.

The healthcare trend rates are based on the actuarial knowledge of the general healthcare environment and the specific coverage offered by the Authority.

21. VOLUNTARY TERMINATION BENEFITS

On July 2, 2010, the Commonwealth enacted Act No. 70 to establish a program that provides benefits for early retirement or economic incentives for voluntary employment termination to eligible employees, as defined, including employees of the Authority. Act No. 70 was a voluntary selection for the public corporations, such as the Authority, and established that early retirement benefits will be provided to eligible employees that have completed between 20 to 29 years of credited of service in the Retirement System, between 48 and 55 year of age, and will consist of biweekly benefits of a 50% of each employee' salary, as defined. In this early retirement benefit program, the Authority will make the employee and the employer contributions to the Retirement System and pay the corresponding pension until the employee complies with the requirements of age and 30 years of credited service in the Retirement System. Economic incentives are available to eligible employees who have at least 30 years of credited service in the Retirement System who have attained the age for retirement. Economic incentives will consist of a lump-sum payment of six months of salary based on employment years. For eligible employees that choose the economic incentives and have at least 30 years of credited service in the Retirement System and the age for retirement or have the age for retirement, the Authority will make the employee and the employer contributions to the Retirement System for a five year period. Additionally, eligible employees that choose to participate in the early retirement benefit program or that choose the economic incentive and have at least 20 years of credited service in the Retirement System are eligible to receive health plan coverage for up to 12 months in a health plan selected by management of the Authority.

The financial impact resulting for the benefits granted to participants on this program was the recognition within the Authority's financial statements of a liability of $8.8 million and $10.9 million in the balance sheet as of June 30, 2014 and 2013, respectively, and a charge of approximately $330 and $348 thousands in the statement of revenues, expenses and changes in net position for the years ended June 30, 2014 and 2013, respectively. At June 30, 2014, unpaid long-term benefits granted on this program were discounted at 1.66% and .63% depending on the employee voluntary termination benefits selected.

22. COMMITMENTS AND CONTINGENT LIABILITIES

a. ***Construction*** **-** The Authority has entered into various contracts with outside contractors for the construction of buildings and other facilities. The Authority records the liability for these contracts as progress billings are received, based on completed work. The uncompleted portion of these contracts is approximately $5.1 million as of June 30, 2014.

The Authority has an agreement with AFI related to the construction and improvements to public schools under the 21st Century Program. Under this agreement the Authority is committed to honor cost of uncompleted work at June 30, 2014 in the amount of approximately $81.8 million.

b. ***Litigation*** **-** The Authority is defendant or co-defendant in various lawsuits for alleged damages and breach of contracts in cases related to construction projects. In addition the Authority is defendant or co-defendant in other cases related to public liability and labor related matters. Some of the legal cases related to public liability are covered by insurance.

The Authority, based on legal advice, has recorded an adequate provision to cover probable losses on the claims not fully covered by insurance. In the opinion of legal counsel, any liability in excess of the insurance coverage and/or the recorded provision that may arise from such claims would not be significant to affect to the Authority's financial position or results of operations.

b. ***Environmental*** **-** During 2012, the Authority identified asbestos in the Central Offices building in Minillas, Santurce, Puerto Rico. Asbestos removal cost was estimated base on environmental engineers' consultant survey. As a result, during the year ended June 30, 2012, the Authority recorded a liability of $2 million for the estimated cost of the removal. During the year ended June 30, 2013, most of the asbestos removal process was completed at a total cost very similar to the total provision recorded in 2012. The Authority has contracted environmental engineers to determine if asbestos exists in other of the Authority's properties. At June 30, 2014, no other property has been identified, therefore, no additional reserve for any future potential liability has been recorded.

23. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

During the year ended June 30, 2014 management restated prior year financial statements to comply with GASB 65, *Items Previously Reported as Assets and Liabilities*. The effect was to write – off its unamortized bond issued costs balance of $30.9 million. The effect of this restatement in the 2013 financial statement is as follows:

	Deficit at June 30, 2012	Amortization of Debt Issue Costs Year Ended June	Change in Net Position Year Ended June 30, 2013
Beginnning balance, as previously reported	$ (211,247,457)	$ 1,515,407	$ (219,450,656)
Restatement - elimination of debt issue costs	(32,439,948)	(1,515,407)	1,515,407
Beginning balance, as restated	$ (243,687,405)	$ -	$ (217,935,249)

The Authority eliminated the carrying amount of debt issue costs as of June 30, 2012 and eliminated the amortization of such expense during the year ended June 30, 2013 of $1,515,407.

24. SUBSEQUENT EVENT

The Authority renegotiated certain provisions of its labor union agreements to comply with the requirements of Law No. 66 "Fiscal and Operational Sustainability Act for the Commonwealth of Puerto Rico" issued on June 17, 2014. On August 26, 2014, the Authority, signed an agreement with the Independent Union of Employees of the Public Building Authority and the Union of Office and Professional Employees of the Public Building Authority that management believes it could result in cash savings of approximately $7.2 million and $1.1 million, respectively, for fiscal year 2014-2015.

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Required Supplementary Information

Public Buildings Authority

(A Component Unit of the Commonwealth of Puerto Rico)

Schedule of Funding Progress for Post-Employment Healthcare Benefits

For the Fiscal Year Ended June 30, 2014

Valuation Date June 30,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Liability	Funded Ratio	Annual Covered Payroll	Percentage of Covered Payroll
2010	$ -	$ 24,497,806	$ 24,497,806	0%	$ 62,901,044	39.0%
2011	$ -	$ 25,618,770	$ 25,618,770	0%	$ 59,056,613	43.4%
2012	$ -	$ 26,162,334	$ 26,162,334	0%	$ 52,933,339	49.4%
2013	$ -	$ 20,572,160	$ 20,572,160	0%	$ 51,120,417	40.2%
2014	$ -	$ 22,260,737	$ 22,260,737	0%	$ 58,039,372	38.4%

Other Supplementary Information

Public Buildings Authority

(A Component Unit of the Commonwealth of Puerto Rico)

Schedule of Bond Sinking Funds Accounts

For the Fiscal Year Ended June 30, 2014

	Total	Bond Service Account	Reserve and Reedemption Account
Government Facility Bonds			
Balance at July 1, 2013	$ 194,932,790	$ 194,932,790	$ -
Receipts:			
Debt service rental	299,896,338	299,896,338	
Investment income	19,058	19,058	-
Deposits from other accounts	302,215	302,215	
Disbursements:			
Payment of interest on bonds	(236,018,188)	(236,018,188)	-
Payment of principal on bonds	(72,595,000)	(72,595,000)	-
Balance at June 30, 2014	186,537,213	186,537,213	-
Office Buildings Bonds			
Balance at July 1, 2013	1,026,163	1,026,163	-
Receipts:			
Transfers from other accounts	2,052,325	2,052,325	-
Disbursements:			
Payment of interest on bonds	(2,052,325)	(2,052,325)	-
Balance at June 30, 2014	1,026,163	1,026,163	-
Total bond sinking funds	$ 187,563,376	$ 187,563,376	$ -

Public Buildings Authority
(A Component Unit of the Commonwealth of Puerto Rico)
Schedule of Operating Rental Revenues
For the Fiscal Year Ended June 30, 2014

Office Buildings	
Debt service rental - bonds and notes	$ 61,983,630
Operating and administrative	58,978,266
Equipment reserve rentals	4,267,132
Total office buildings	125,229,028
Public Education Buildings	
Debt service rental - bonds and notes	191,765,750
Operating and administrative	58,237,067
Equipment reserve rentals	16,846,286
Total public education buildings	266,849,103
Health Facilities	
Debt service rental - bonds and notes	18,886,344
Operating and administrative	1,127,858
Equipment reserve rentals	742,382
Total health facilities	20,756,584
Total operating rental revenue	$ 412,834,715